

FACT SHEET

Topic: Child Care

Purpose: Michigan's *Child Development and Care Program* helps low-income families pay for child care while parents work, participate in approved MWA education and other employment preparation programs, participate in an approved treatment program for a physical, mental or emotional condition, or attend high school completion classes. For example, a family of three whose gross income is under \$1,990 a month could qualify for partial payment. The actual payment is based on family size and income. Payments can only be used to pay for care at a licensed regulated child care center or home, or for approved care by FIA enrolled day care aides in the child's home or by relative care providers. Families apply for the program at local FIA offices. On average, it takes about one month to authorize payment. If approved, payment is retroactive to the date of application or provider enrollment /licensing whichever is later. Michigan has been able to serve all eligible families applying for the program.

Priority: Independence

Outcome: Child Development and Care services are provided to qualified families when the parent(s) or other caregiver(s) is unavailable to provide care because of employment approved education. (A small number of families qualify because of treatment for a health or social condition.) The goal of the Child Development and Care Program is to assure that affordable, quality child care is available to Michigan residents.

Major Talking Points:

Budget Cuts

- January 2003 – Relative Provider Rates reduced by approximately 6%.
- February 2003 – Families with income up to approximately 150% of poverty may be eligible for partial payment of their child care needs.

Parental Choice: Although Michigan has had cuts in the CDC budget, we have not eliminated any types of care available to our customers. Elimination or reduction in any of the following categories could potentially result in the need to have a waiting list for FIA subsidized children.

- Licensed Day Care Centers
- Licensed Family Day Care Homes
- Licensed Group Day Care Homes
- Enrolled Day Care Aides
- Enrolled Relative Care Providers
- FIA now spends more on child care than on FIP. (FY 2003 - \$508 M appropriated for child care and \$365 M appropriated for FIP.)
- The vast majority of CDC payments go to families who are not on welfare.
- We spend more than a million dollars a day on child care.
- Less than half of the day care centers in Michigan are serving FIA funded children.
- In recent months, we have served close to 125,000 children.

- If everyone eligible for CDC received it, the caseload would be about four times the current size.
- Even though we serve only about a quarter of those eligible, Michigan serves a greater percentage of eligible families than all but a very few states.
- Care by relatives and in-home aides accounts for nearly 60% of FIA funded care. In most states, 60% of children are in centers.
- Michigan has no child care waiting lists. Such lists are common in other states.

How it Works: In the past two years, the Child Development and Care Program has become more streamlined for parents, providers and local office Family Independence Specialists. The FIS authorizes either part-time or full-time child care from projected hours worked/needed. Providers report the actual hours of care via telephone or Internet. Electronic Funds Transfer of payment directly to the provider's bank is available to all except in-home aides. Customers receiving other forms of FIA assistance no longer need to apply in person. The period of eligibility has been changed from six months to 12 months for income eligible families. Only basic information is needed for the initial opening of child care services. And eligibility for children in kinship care is based on the child's income, not the caretaker relative's income.

Special Efforts Underway:

- The *Infant/Toddler Incentive* encourages more child care providers to provide care to infants and toddlers. The Infant/Toddler Incentive payment is made to all day care centers, group homes and family homes that provide care to children under age 2 ½. Day care aide and relative care providers may be eligible if they complete 15 hours of basic child care training.
- The *Enhanced Quality Improvement Program (EQUIP)* awards grants to improve the quality of Michigan child care programs with special emphasis on increasing infant care, care for children with special needs and care during non-traditional working hours. Grants are available to child care centers, group homes and family day care homes that serve children from low-income families. The grants are awarded by the FIA and administered by the Michigan Community Coordinated Child Care Association.
- The *Teacher Education And Compensation Helps (T.E.A.C.H.)* Early Childhood Michigan is designed to increase child care provider education, increase the quality of care provided and improve retention rates of child care providers. The FIA established T.E.A.C.H. to provide an educational scholarship and compensation program for teachers, program directors and regulated child care providers in the early education and care field, as well as a sequential professional development path for eligible participants.

Partners: Providers, 4Cs Association and community offices, Better Kid Care, MSU Extension, DCH, DCIS

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